

THE BANK OF NOVA SCOTIA.

Comparison of the Bank of Nova Scotia's experience in 1914 with that of 1913 is complicated by the absorption of the Metropolitan Bank which was completed in the closing months of the year. The new annual statement, however, shows both the satisfactory earning power and the great strength of position that have been characteristics of the Bank of Nova Scotia for many years. Net profits for the calendar year 1914 are reported as \$1,196,117. Last year the Bank's profits were reported as \$1,210,774, so that there was a decrease of \$14,650 after the earnings of the Metropolitan Bank's business in the closing months of the year have been allowed for. The amount available on profit and loss account including the balance forward from the previous year is \$1,237,241. Dividends for the year at the rate of 14 per cent. absorb \$848,700, \$100,000 is transferred to the reserve fund, making this \$12,000,000 against a paid-up capital of \$6,500,000; \$50,000 is contributed to the officers' pension fund; \$37,433 to various patriotic and philanthropic objects and the largely increased balance of \$201,058 is carried forward.

Following are the leading items of the bank's annual statement in comparison with those of the previous year:—

	1914.	1913.
Paid-up Capital	\$ 6,500,000	\$ 6,000,000
Reserve	12,000,000	11,000,000
Circulation	7,148,813	5,948,022
Deposits	68,955,351	55,976,385
Liabilities to public	76,651,578	61,924,407
Specie and Legals	14,333,641	10,440,849
Call Loans	16,642,862	14,837,315
Quick Assets	49,232,413	39,073,108
Current loans, etc.	43,066,631	39,016,438
Total Assets	95,733,671	80,151,830

*Plus \$1,500,000 deposit in Central Gold Reserve.

While during the period covered by the report, the deposits of the public with all Canadian banks decreased some \$3,000,000, those made with the Bank of Nova Scotia, excluding the Metropolitan Bank entirely, increased \$4,675,000. The Bank has extended its policy, long adhered to, of carrying heavy cash reserves and so assuring strength to the Bank and safety to its depositors in any contingency by which it might be confronted, a policy which, inasmuch as it involves the carrying of unproductive funds to a large amount, means a reduction in profit-earning power while ensuring strength and safety. Reserves of actual cash in hand and Bank balances are 30.96 per cent. of the liabilities to the public, while the total liquid and practically immediately available resources amount to over 60 per cent. of these liabilities, a position which it must be conceded affords unusual as well as unquestionable security to depositors. That the Bank's settled policy of sacrificing possible profits to absolute security for its clients is being recognized and appreciated is evidenced by the material increase in its deposits to which reference is above made.

The whole statement is, in fact, an excellent one and while through the absorption of the Metropolitan Bank, the other comparisons usually made are not on this occasion available, the figures given are sufficient to indicate the very strong position occupied by the Bank of Nova Scotia under the efficient management of Mr. H. A. Richardson.

Mr. W. P. Hunt continues as the manager of this bank at its important St. James street, Montreal, branch.

NATIONAL LIFE'S STATEMENT.

The conservative investment policy pursued by the National Life of Canada is well known and has many times been the subject of complimentary notice by independent critics whose opinion is of weight and value. From the 1914 statement it appears that over 56 per cent. of the Company's total assets of \$3,051,407 are invested in government and municipal bonds and debentures, and nearly 30 p.c. in other high grade securities. Again in its annual report the Company is able to record the fact that since its inception—a period of almost sixteen years—it has never had a dollar of interest or principal of its invested funds overdue, nor has it lost a single dollar of interest or principal on any of its investments. This admirable record forms a sufficient justification for the course which the National Life has consistently followed. While in consequence of this policy it has not been able to report such high interest yields as some of its competitors, it may be doubted whether even in this respect in the long run the Company has fared less well than those who have pinned their faith almost entirely on high interest yielding mortgages. Net return is of considerably more importance than gross return, and in the case of mortgages there are considerable deductions to be made from the gross returns for investment expenses, and for overdue interest which deductions have not to be met in the case of government and municipal securities.

THE YEAR'S BUSINESS.

In regard to volume of business, last year applications for \$6,302,483 new assurances were received of which \$5,492,497 were accepted. This volume of new business shows a falling off from 1913, accounted for by the fact that since the outbreak of war, the National Life put in force a rule of acceptance of the highest class business only, and at the same time cut expenses wherever possible. A comparison of first-year premiums last year with those of 1913 shows that last year a much higher rate per thousand was obtained, than in the former year. The total volume of business in force (December 31, 1914), is \$23,908,408, an increase of \$1,609,330 over the total at the close of 1913.

Total payments to policyholders were \$179,513, the rate of mortality being a trifle over 61 p.c. of the expected. The year's income of \$943,319, including \$155,607 interest and rents, showed an advance of \$100,000 upon the previous year, and there was left, after payments to policyholders and expenses, a balance of \$405,615. The assets are accordingly increased to \$3,051,407. Of these assets, \$1,728,973 are represented by government and municipal bonds and debentures, \$474,535 by loans on policies, \$230,000 by the head office building, which has been valued at \$275,000, and \$155,750 by bank stocks. After setting aside from the year's surplus a special reserve of \$50,000 to meet the H.M. 3 p.c. values on participating policies at the end of twenty years from date of issue and making other allocations, the net surplus to policyholders is increased to \$417,426, an advance of \$37,000 over 1913. These results are in every way satisfactory, and reflect great credit on Mr. Albert J. Ralston, the National Life's well-known managing director.

The Prudential Life of Winnipeg is reported as likely to pass under new control.